

THE AUSTRALIAN NATIONAL UNIVERSITYFACULTY OF ECONOMICSCENTRE FOR RESEARCH ON FEDERAL FINANCIAL RELATIONSANNUAL REPORT 1973The Role of the Centre

The Centre was established in 1972, at the invitation of and with financial support from the Australian Government, for the purpose of encouraging studies in the field of federal financial relations. Its role in relation to the Australian federal system is to undertake and sponsor research which will extend the range of information and analysis and to generate ideas for making the system function more effectively. In particular, the work of the Centre is being directed towards examination of the major issues affecting intergovernmental financial relations, in the fields of expenditure responsibilities, financial powers (including both taxation and loan finance), grants arrangements and the scope for inter-governmental co-operation. The research programme is described in more detail below.

The Director is advised by a Research Advisory Committee, the membership of which reflects the interests of the Australian, State and local governments and includes members of other universities. Emeritus Professor Sir John Crawford is Chairman of the Committee. Although the Centre's work is concerned especially with intergovernmental financial relationships, the approach is inter-disciplinary and involves scholars from the fields of constitutional law, political science and administrative studies as well as economics. The Centre has only a small permanent staff (the Director and Deputy Director have half-time appointments) and much of the research programme is being carried out by visiting fellows, scholars in other institutions assisted by research grants from the Centre, and study groups in the Australian National University and other centres. The results of research are being published in books, research monographs and a reprint series (see below).

Staff

Director	Professor R.L. Mathews, BCom <u>Melb.</u>
Deputy Director	Mr W.R.C. Jay, BA, BCom <u>Q'ld.</u>
Research Fellow	Dr B.S. Grewal, MA <u>Panjab</u> , PhD <u>Punjabi</u> (from 18 May 1973)
Research Assistants	Mr J.A. Callan, BA <u>Cantab.</u> (from 19 November 1973) Mrs S.B. Caton, BA <u>Syracuse</u> , MGA <u>U. of Penn.</u> (from 13 November 1973) Mr M.G. Wright, BEc (5 March 1973 to 17 July 1973)

75/1974

Staff Movements

Mr W.R.C. Jay proceeded to London on study leave on 29th November to work on problems of federal finance and the history of Commonwealth and State taxation. He will be absent from the Centre until October 1974.

Visitors

Professor W. Prest held a Visiting Fellowship in the Centre from 16 January to 31 August 1973, working on a survey of "The Theory of Fiscal Federalism". He will return to the Centre in February 1974.

Research

The Centre's research programme is intended to provide scope for studies directed towards an overall view of intergovernmental financial relations but, initially at least, the work of the Centre is being concentrated in the following fields of study:

- (a) financial and economic analysis of the Australian and other federal systems;
- (b) criteria and machinery for determining the allocation of financial resources among governments;
- (c) intergovernmental aspects of urban and regional development; and
- (d) the effect of federal financial assistance on the effectiveness of expenditure in major areas such as education.

The research programme is being implemented by the Centre's staff, by visiting fellows, by study groups and by studies commissioned from outside research workers. The main research work carried out by staff members and visiting fellows during 1972 was concerned with: fiscal equalisation models and grants arrangements (Mathews, Prest, Grewal); revenue sharing (Jay); the theory of fiscal federalism (Prest); specific purpose payments (Jay); educational finance (Wright, Mathews); local government finance (Mathews, Callan); land tenure systems (Mathews); Australian public finance statistics (Caton); Indian federal finance (Grewal).

Study groups have been formed in Adelaide (Chairman: Prof. A. Castles) and Melbourne (Chairman: Mr R.B. Lewis) and are in the process of being established in Tasmania (Chairman: Mr B. Davis). The A.N.U. Study Group has completed one seminar programme on "Fiscal Equalisation" and has commenced a second on "Responsibility Sharing in a Federal System".

Research grants have been approved for the following commissioned studies:

Prof. J.E. Richardson
Australian National University

Patterns of Australian Federalism

Dr J.S.H. Hunter
University of New England

Revenue Sharing in the Federal
Republic of Germany

Mr B.W. Davis University of Tasmania	The Finance of Tasmanian Public Investment : Intergovern- mental Aspects
Dr P.D. Groenewegen University of Sydney	Taxable Capacity of Local Government in New South Wales
Prof. J. Cutt Australian National University	Harmonisation of Multi-Level Expenditure Decision-Making
Dr R.S. Gilbert Department of the Environment London	The Financial Agreement of 1927 : An Annotation
Dr P.D. Tannock University of Western Australia	Intergovernmental Relations in Australian Education with Special Reference to Educational Finance
Mr D.F. Fairbairn Canberra College of Advanced Education	Local Government Financial Analysis : An Accounting Structure

The results of the Centre's research are being published in books, research monographs and a reprint series. Publications to the end of 1973 were:

Book

Mathews, R.L. and Jay, W.R.C. Federal Finance : Intergovernmental Financial Relations in Australia since Federation, Nelson, Melbourne, 1972, pp. 370 + xiv.

Research Monographs

- No. 1 Richardson, J.E. Patterns of Australian Federalism, Distributed by ANU Press, Canberra, 1973, pp. 142 + x.
- No. 2 Hunter, J.S.H. Revenue Sharing in the Federal Republic of Germany, Distributed by ANU Press, Canberra, 1973, pp. 116 + xi.

Reprint Series

- No. 1 Mathews, R.L. "The Future of Government Finance", Public Administration, Vol. XXXII, No. 2, June 1973.

Other Activities of the Centre's Staff

(a) Public Lectures and Conference Papers

- JAY, W.R.C. "Revenue Conditions in Respect of Specific Purpose Grants", Australian and New Zealand Association for the Advancement of Science, Section 24, Perth, August 1973.

- JAY, W.R.C. "The Budget and the Economy", Joint Services Staff College, Weston Creek, R.A.A.F. Staff College, Fairbairn and Institute of Business Management.
- MATHEWS, R.L. "Towards a System of Current Value Accounting", Australian Society of Accountants, Professional Development Seminar, April 1973.
- MATHEWS, R.L. "The Role of the Centre for Research on Federal Financial Relations", Parliamentary Liberal Party Committee on the Economy, May 1973.
- MATHEWS, R.L. "Fiscal Equalization for Local Government", G.L. Wood Memorial Lecture to the Economic Society of Australia and New Zealand, University of Melbourne, October 1973.

(b) Commissions and Inquiries

During 1973, Professor Mathews served as Assessor on the Commonwealth Inquiry into Academic Salaries and as a Member of the Grants Commission and the Commission of Inquiry into Land Tenures.

Staff Publications

- MATHEWS, R.L. Review of Fiscal Policy in Fiji, Government Printer, Suva, 1972, 96 + xiii.
- MATHEWS, R.L. "Budget Structure and Organisation in Developed and Developing Countries", Public Finance, Planning and Economic Development : Essays in Honour of Ursula Hicks, W.L. David (ed.), Macmillan, London, 1973, pp. 233-259.
- MATHEWS, R.L. "Towards a System of Current Value Accounting", Current Value Accounting - What Is It? Can It Be Implemented?, Australian Society of Accountants, Canberra, 1973, pp. 1-6.
- MATHEWS, R.L. "The Future of Government Finance", Public Administration, June 1973, Vol. XXXII, No. 2, pp. 155-169.
- MATHEWS, R.L. "Patterns of Educational Finance", Australian Economic Papers, December 1973, Vol. 12, No. 21.
- MATHEWS, R.L. (with I.G. TILLEY¹ and J.K. HENDERSON¹) Students' Companion to The Accounting Framework, Cheshire, Melbourne, 1973, pp. 257 + vii.
- MATHEWS, R.L. (with I.G. TILLEY¹ and J.K. HENDERSON¹) The Accounting Framework : Teachers' Manual, Cheshire, Melbourne, 1973, 253 + v.

1 Member of the Department of Accounting and Public Finance.

Official Reports

- MATHEWS, R.L. (Assessor to W.B. CAMPBELL²) Report of the Inquiry into Academic Salaries 1973, Australian Government Publishing Service, Canberra, 1973, pp. 114 + xiii.
- MATHEWS, R.L. (with L.G. MELVILLE², Chairman, and W.R. LANE²) Grants Commission Fortieth Report 1973, pp. 206 + v.
- MATHEWS, R.L. (with R. ELSE-MITCHELL², Chairman, and G.J. DUSSELDORP²) Commission of Inquiry into Land Tenures Report, Canberra, 1973, pp. 190 + xiii.

2 Not a member of this University.